

Pump Test Report

Date: 11-08-03
 Customer: ARB
 Discharge Pipe: 8"
 Office Dia: N/A
 Bowl Used: 12 NKH
 Hours Pumped This Day: 24

Tested By: Doug Johnson & David Lewis
 Well Depth: 109'
 Well I.D.: 16"
 Static Level: 18.5'
 Type Pumps: R.P.M. W.W. Screen
 Hours Pumped To Date: 58

Location: Dance Hall
 Remarks: Constant Rate Test
 (24 hours)
 Page: 14

Smith West Pump & Drilling
 53-381 Highway 111
 Coachella, CA 92236
 Office: 800.770.7360
 Fax: 760.398.2287

Time	Office *	G.P.M.	S.W.L.	Pumping Level	Drawdown	Eng R.P.M.	Yield	Clean Up Time	Remarks
05:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	56,912
06:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	56,973
07:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,033
08:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,093
09:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,152
10:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,212
11:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,272
12:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,332
13:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,392
14:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,452
15:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,512
16:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,572
17:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,632
18:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,692
19:00:00	N/A	1000	18.5	54.5	36	N/A	27.78	N/A	57,752
20:00:00	N/A	1000	18.5	57.0	38.5	N/A	25.97	N/A	57,812
21:00:00	N/A	1000	18.5	57.0	38.5	N/A	25.97	N/A	57,873

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Time	Orifice "	G.P.M.	S.W.L.	Pumping Level	Drawdown	Eng R.P.M.	Yield	Close Up Time	Remarks
22:00:00	N/A	1000	18.5	57.0	38.5	N/A	25.97	N/A	57.933
23:00:00	N/A	1000	18.5	57.0	38.5	N/A	25.97	N/A	58.003
24:00:00	N/A	1000	18.5	60.0	41.5	N/A	24.10	N/A	58.062

Curtain Rises on 2010

Officials vow year ahead will be award-winning

By Jonathan Volzke
The Capistrano Dispatch

A new year in Capistrano can bring a familiar feeling, not unlike what Bill Murray's character goes through in the movie "Groundhog Day," inexplicitly waking up again and again to relive the same day in a small town.

Discussions with city leaders about what the coming year may bring has that same-old ring, as the same issues seem to come up annually, such as improvements to the downtown, economic revival, new directions.

Even city officials recognize the pattern. "I'm one of these people who said, 'I've listened to all of this for so long and nothing's happening,'" Mayor Pro Tem Laura Freese says.

Freese and Mayor Lon Uso are determined that 2010 won't be just another scene in Capistrano's over-and-over again list of promises and unrealized goals. Usually, traffic issues play a starring role in the city's plans but the city just sued Caltrans over the planned Ortega widening, so the budget and related issues will take center stage in 2010.

"We must make economic development one of our top priorities. Downtown redevelopment is a key part of this but we must also find ways to brand our city and to reach out to the businesses that we want and need, to not only become financially successful but to enhance the quality of life for our residents," Uso said.

Murray's character breaks the cycle at the end of "Groundhog Day" by finally using his repetitive day to become a better person and help others. Ironically, it looks like a movie theater will break Capistrano's repetitive cycle.

After years of promises, years of missed dates, the president of Calabasas-based Regency Theatres says the downtown movie house will open by March. That's later than initially promised when Regency signed the lease last year, but it looks like the theater will be worth the wait.

Capistrano's Regency will literally be unlike any other movie house in Orange County, if not anywhere. While the four-screen theater will show first-run movies, Regency President Lyndon Golin tells *The Dispatch* the theater will strive to provide a unique movie-going experience. Sure, all of the theaters will have reclining leather seats, but it will also provide food delivery right to a movie-goer's seat.

And not just the standard movie fare of popcorn or microwave nachos. Nachos at the Franciscan Plaza theater will feature ground turkey or beef or chicken. The menu will also offer Kobe beef burgers, three-cheese grilled sandwiches, Caesar salad, chopped-shrimp salad, even calamari.

Patrons can order the food on their way into the movie, and staff will deliver it in the first 20 minutes of the movie, Golin says. "This is a concept that, if it works, this will be the future of movie going," says Golin, whose company has 20 other locations. "It makes for a better movie-going experience, combining the experience of dinner and a movie. A lot of people want more than popcorn, pretzels and nachos."

But the real show-stopper: The VIP lounge upstairs. "Rick's Café." There, customers who pay a few extra dollars will find a full lounge, with a bar—beer and wine will be served throughout—and even a fireplace.



Capistrano's Regency Theater is set to open in March and will provide patrons with a truly unique and special experience at the movies. Photo by Heidi Meffert

Drive by the Verdugo Street theater now and you can see a second-floor balcony that is also part of the Casablanca-themed retreat. Those on the second floor will find a full wait staff serving them.

The special touches are key to making Capistrano's four-screen theater competitive with the multiplexes of the industry, Golin says. "It will really be an escape," Golin says. "It really looks amazing. It will be a great place to relax and wait for a movie. We had to make it a special experience...we want to make it a destination."

The owners of Franciscan Plaza, where Ruby's has a new outdoor patio with fireplace overlooking Camino Capistrano, were responsible for roughing in the work, while Regency is putting on the final touches. The city offered the theater chain a no-interest, \$450,000 loan to get the theater open, and another sign things are moving forward: Regency received the check on Monday.

Another key project moving ahead is across from the theater, the reconstruction and expansion of the Vaquero West building into an 8,000-square-foot mix of offices and retail space. The city is also making a loan to that project, with the release of cash tied to specific points to ensure it continues to move forward. Eric Altman, the managing partner for the project, says construction plans were submitted to the city in September. The project, designed by Capistrano's Roy Nunn, is intended to look like several buildings and includes fountains and paseos.

Altman says construction could happen quickly, when he gets the OK from the city. He is hoping to finalize leases in coming weeks, too. "It's exciting," says the former Chamber of Commerce president. "Franciscan Plaza is really starting to come along, with the Ruby's remodel and the movie theater plans, it's all very positive."

Freese, who chairs the city's Redevelopment Agency, which has bond money to spend in the downtown, says the other key project is the hotel intended for the old Mission Inn site. The owners, Gretchen Stroscher-Thomson and her family, have scaled back initial plans for the project, which included a hotel, retail space and a hotel at Ortega Highway and El Camino Real. The chief change: a two-story element directly across from the Great Stone Church at the Mission has been reduced to one story.

To end Capistrano's Groundhog Day-like loop, Freese wants to focus on things within the city's control, such as narrowing the wisp of Ortega between Starbucks and the Mission and widening the sidewalk to include more trees and a wider sidewalk. "I want to put in some nice furniture for people to

lounge ... we want people to sit there and have a cup of coffee in front of Starbucks and appreciate the beauty of the mission and our city," Freese says. "We need to be starting this pedestrian-friendly look downtown; the people of San Juan need to see some improvement."

The council was set to meet Thursday to pick a new firm to dust off and update the master plan for Capistrano's downtown, with all council members vowing it won't just be another document to sit on a shelf.

Also on the horizon for 2010 is continuing to work on moving Costco from its current location to the city-owned land off Stonehill, where it can expand and add fuel sales, as well as determining how to reuse the current Costco site, and the vacant parcels left by shuttered car dealerships.

"I'm going to be pushing the downtown and economic development," Freese says. "Open space is fine and dandy but you have to have the money to pay for it, and that takes economic development."

Economics will play a starring role around City Hall, as the city has suffered financial losses from closed car dealerships and frozen housing and commercial projects. The city is using the need to cut as an opportunity to take a close look at how City Hall operates, and how it might operate better. City Manager Joe Tait is among a dozen employees who have combed through city operations to compile suggestions on how the six departments—from planning to utilities—could work better. It's not necessarily about how many employees the city should have—there's just under 100 full time now—or how many departments, but how to best serve residents. "If we were to run the city today the way residents want us to run it, what would it look like," Tait says.

The reorganization is expected to be unveiled in coming weeks.

Tait says 2010 should also be the year the city sees the curtain come down on the MTBE saga, as Capistrano and Chevron work toward cleaning the plume in the city's groundwater that has curtailed use of the groundwater recovery plant. Tait says the city's costs since shutting down the primary well are nearing \$4 million. While the city and Chevron have not agreed on the best way to remove the plume, the Regional Water Quality Control Board just before the holidays removed the city from the cleanup order, meaning the responsibility is now squarely on Chevron's shoulders, Tait says.

The goals of an economic revival, a City Hall reorganization and saving the city's water supply have all the elements of a movie thriller. Now it's just a matter of seeing whether Capistrano gets a storybook ending when the curtain falls on 2010. CD

From: Jack Fraim [mailto:cedarcreek@directcon.net]
Sent: Wednesday, December 23, 2009 11:40 AM
To: Barry Pulver
Cc: Craig Carlisle ; Joe Tait; Natasha Molla; Steve Edelman
Subject: Biweekly Update of Chevron Activities in SJC for the Period Ending December 18, 2009

Barry,

Merry Christmas and Happy New Year! The following is a summary of Chevron activities in SJC for the biweekly period ending December 18, 2009.

Chevron Station 9-3417, 32001 Camino Capistrano

- December 10 – South Orange County Wastewater Authority informed HFA that SOCWA had been told to put “on hold” the permit application to discharge water produced by the proposed “Plan B” groundwater pump and treat system (work plan dated June 29, 2009) by West Curry, City of SJC Assistant Utilities Director, until further notice, due to “litigation with Chevron”.
- December 14 – The San Diego RWQCB issued a letter indicating that Malcolm Pirnie's O&M Plan for the wellhead treatment system (dated November 30, 2009) meets the requirements of the CAO.
- December 14 – The San Diego RWQCB issued a letter indicating that HFA's Groundwater Monitoring Program Work Plan (dated November 24, 2009) meets the requirements of the CAO.
- December 16 – Chevron obtained a permit from the South Coast Air Quality Management District for the proposed AS/SVE remediation system.
- December 18 – Chevron submitted to the City a response to the City's letter of November 25, 2009, regarding technical issues associated with the wellhead treatment system proposed in the IRAP (dated March 26, 2008).
- December 18 – As requested by the San Diego RWQCB, an interim report was submitted to transmit soil boring logs, well construction details and laboratory results for the wells drilled to date under the work plan dated August 7, 2008, and addenda. Interpretation of the well installation results and an updated site conceptual model will be presented in a site assessment report by April 30, 2010, as required by the CAO.
- Implementation of the wellhead treatment system proposed in the IRAP (dated March 26, 2008, approved by OCLOP May 14, 2008), and as required by Cleanup and Abatement Order No. R9-2009-0124 (CAO), is progressing, but has run into some significant obstacles with the City. On October 29, 2009, Chevron and the City's technical representatives, as well as Barry Pulver from the San Diego RWQCB, met in an attempt to resolve the technical issues regarding the design of the wellhead treatment system, followed by several rounds of correspondence. The parties are scheduled to meet again on December 21, 2009.
- Completion of the work plan dated August 7, 2008, and addenda for downgradient, multidepth groundwater monitoring well clusters, is awaiting offsite access. The following wells have been completed: the two 2-well clusters in Descanso Park (MW-17C/D and MW-18C/D); the 3-well cluster on Avenida Los Amigos (MW-19A/B/C); wells MW-12D, MW-7B, and MW-7C; and the 4-well cluster behind RiteAid (MW-20A/B/C/D, located between B-27 and B-28). Chevron continued to pursue access for the remaining 3 well cluster locations: one on the Stillwaters property (between CPT-14 and Trabuco Creek), one on the 12 Stones property (between CPT-15 and CPT-16), and one

on the Cole property south of Avenida Padre. For the Stillwaters Property and the 12 Stones property, Chevron has been communicating with the owner's representative, Matt Spaulding, regarding the type of agreement needed for access. The owner is requiring a lease for the property. Mr. Cole did not respond to written access requests from HFA, dated April 7, 2009, June 2, 2009, September 30, 2009, and December 2009, and from the San Diego RWQCB, dated July 8, 2009; on December 15, Mr. Cole's attorney contacted HFA via telephone with questions.

- Completion of the AS/SVE system proposed in the CAP dated February 17, 2009, which was approved in OCLOP's letter dated May 1, 2009, is awaiting offsite access and AS/SVE pilot testing. Negotiations for access are in progress with the offsite property owners, Pacific Realty Associates, LP and MV/The Village, LLC. In June 2009, Chevron sent an access request to Pacific Realty and was informed in August that the owner's attorney was reviewing the agreement. In September 2009, a potential buyer for the Pacific Realty property contacted Chevron. Chevron provided the buyer with an access and indemnity agreement, and in November 2009 Pacific Realty indicated that it was talking to a new potential buyer. Also in November 2009, Chevron sent Pacific Realty's counsel another copy of the Site Access and Remediation Agreement that Chevron provided to Pacific Realty back in June 2009. For the MV/The Village property, in June 2009, Chevron sent the owner an access request and negotiations are in progress. Most recently, in November 2009, Chevron sent the revised Site Access & Remediation Agreement to counsel for MV/The Village LLC and is awaiting a response.

- Completion of the work plan for source area assessment and AS/SVE pilot testing, dated March 31, 2009, which was approved in OCLOP's letter dated May 4, 2009, is awaiting offsite access. A total of 40 onsite and offsite, direct push sampling locations have been completed. The preliminary results were submitted via email to the San Diego RWQCB on June 25 and 30, 2009, along with proposed locations of 3 groundwater monitoring wells and 3 well clusters for AS/SVE pilot testing (one more AS/SVE well than proposed in the work plan). On July 1, 2009, the San Diego RWQCB emailed its concurrence with the proposed well locations. Negotiations for access are in progress with the offsite property owner, Pacific Realty Associates, LP, as discussed above.

- Completion of the work plan for installation of groundwater extraction wells and conducting pumping tests between the site and Dance Hall well (dated June 29, 2009, with conditional concurrence from the San Diego RWQCB dated June 30, 2009), is awaiting offsite access. Negotiations for access are in progress with the offsite property owner, MV/The Village, LLC, as described above. (Access has been obtained for an offsite property adjacent to the MV/The Village, LLC property, from Henry and Judy Kumagai; the Kumagai property access is for a sewer cleanout for the anticipated pump-and-treat system.)

Upcoming Events

- December 21 – Blaine Tech will perform monthly sampling of groundwater monitoring well clusters MW-15, MW-16, MW-17, and MW-18.
- December 21 – The San Diego RWQCB, City, and Chevron will meet regarding technical aspects of installing the IRAP wellhead treatment system, as described above.
- The projected startup date for implementation of the wellhead treatment system proposed in the IRAP will be updated once Chevron has the necessary agreements and the associated permits.
- Upon obtaining access, HFA will install the remaining 3 groundwater monitoring well cluster locations (proposed in the work plan dated August 7, 2008, and addenda).

- Upon obtaining access, HFA will complete the source area assessment and install AS/SVE well clusters (proposed in the work plan dated March 31, 2009). The results will be presented in a site assessment report by April 30, 2010 as required by the CAO.
- Upon obtaining access, HFA will install groundwater extraction wells and conduct pumping tests between the site and Dance Hall well (proposed in the work plan dated June 29, 2009).
- Upon completion of the AS/SVE pilot testing and pumping tests (pilot testing for a pump-and-treat system) mentioned above and as required by the CAO, HFA will develop and submit a revised CAP by April 30, 2010. The CAP will include the results of the pilot tests and, based on the resulting data, propose designs of (1) an AS/SVE system for source area remediation and (2) a pump-and-treat system for remediation of the downgradient MtBE plume.

Chevron Station 9-8719, 26988 Ortega Hwy, San Juan Capistrano

- December 9 & 18 – Blaine Tech conducted weekly pump-outs of TBA-containing groundwater from well MW-2, in accordance with the IRAP dated April 13, 2009, which was approved by OCLOP's letter dated April 21, 2009. Approximately 50 gallons of groundwater were pumped out during each event.
- Completion of the site assessment work proposed in HFA's work plan dated December 1, 2008 (approved in OCLOP's letter dated March 17, 2009), is awaiting offsite access. The following have been completed: one onsite 2-well cluster (MW-10A/B), two offsite 2-well clusters (MW-11A/B and MW-12A/B, both in the Denault Hardware parking lot), three onsite direct push borings, one onsite angle boring, onsite well MW-2B, and wells MW-8B and MW-9B (McDonalds property). Obtaining access has been difficult for the remaining offsite groundwater monitoring well locations, which include a 2-well cluster in the Marie Callender's parking lot, a 2-well cluster in the former Sizzler parking lot, and a 2-well cluster in the Ralph's parking lot, all owned by Theodore Stroscher. For the Stroscher properties, from April 2009 to October 2009, Chevron attempted to obtain permission from the owner to perform the work under the existing access agreement. In October 2009, Mr. Stroscher gave Chevron permission to proceed with coordinating access with his tenants (Ralphs, Marie Callender's, and Sizzler) to install the wells and borings at the proposed locations. On November 19, 2009, representatives from Ralph's and Marie Callender's indicated that they wanted the work to occur after the holidays (after January 1, 2010). The work is scheduled as noted below under "Upcoming Events." A report describing the well installations, including those at all three Stroscher properties, will be submitted following installation and monitoring of all the wells.
- Implementation of the work plan for downgradient direct-push assessment (dated April 30, 2009, approved by OCLOP letter dated May 11, 2009, received by Chevron May 14, 2009) and the work plan addendum for additional direct-push assessment and well installation (dated June 3, 2009, San Diego RWQCB responded via email with no comments September 24, 2009) is awaiting offsite access. Negotiations for offsite access are in progress with the property owners, Plaza Del Obispo and Mr. Stroscher. For the Plaza Del Obispo property, Chevron sent the revised Site Access Agreement to the property manager in November 2009 and is awaiting a response.

Upcoming Events

- December 23 & 30 – Blaine Tech will conduct weekly pump-outs of TBA-containing groundwater from well MW-2.
- December 2009 - January 2010 – HFA will complete the site assessment proposed in HFA's work plan dated December 1, 2008. The anticipated schedule is as follows: Underground Alert notifications

December 21; markings complete December 24; geophysical survey December 28-29; hole clearance January 4-8; drilling/well installation January 11-20.

- Upon obtaining offsite access, HFA will implement the work plan for downgradient direct-push assessment (dated April 30, 2009) and addendum (dated June 3, 2009) for additional direct-push assessment and well installation.

Jack Fraim

Principal Hydrogeologist

Cedar Creek Consulting
3989 Sand Ridge Road
Placerville, CA 95667-8170

Phone 530.622.9892

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Natasha Molla
Team Lead, Retail and
C&I-Southwest

**Environmental
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January 5, 2010

Executive Officer
California Regional Water Quality Control Board, San Diego Region
9174 Sky Park Court, Suite 100
San Diego, California 92123-4353
Attn: Barry Pulver, Groundwater Basins Branch

**Subject: Deadline for Beginning Implementation of the Interim Remedial Action
Revised Cleanup and Abatement Order No. R9-2009-0124 dated
December 23, 2009
(CRWQCB-SDR Case #9UT1351, GeoTracker Site ID #T0605902379:bpulver)**

Dear Mr. Pulver,

I am writing to inform you that, despite Chevron's best efforts to comply with the Cleanup and Abatement Order No. R-9-2009-0124, which was originally issued on September 3, 2009, and was most recently revised on December 23, 2009 (revised CAO), Chevron will be unable to meet the January 29, 2010 deadline set forth in the revised CAO to "begin implementation (i.e., construction) of the Interim Remedial Action described in the March 26, 2008 IRAP." See Revised CAO at p.7. While Chevron is ready and willing to begin construction of the interim remedial action, it is still being blocked from doing so by the City of San Juan Capistrano, which has unreasonably failed to provide Chevron access to the Dance Hall well and related property.

Over approximately the past eighteen months, Chevron has taken many proactive steps to make progress on the IRAP implementation in spite of the lack of cooperation from the City. Unfortunately, we have encountered many roadblocks from the City which have hindered substantial progress. As you know, Chevron has made numerous attempts -- some with your assistance -- to cooperate with the City and to resolve the technical issues that the City has raised regarding the interim remedial action; however, thus far we have been unsuccessful at gaining access to the City's property to begin construction. I documented many, but definitely not all, of these issues and roadblocks in my letters to you dated October 12, 2009, and November 24, 2009, and will not repeat them herein. Unfortunately, the pattern outlined in these prior letters continues to date. Over nearly the past eighteen months, just as we seem to be making progress, the City then raises some new, alleged issues which obstruct and delay Chevron's ability to move forward with the Dance Hall wellhead treatment system, which Chevron had intended to begin operating back in February 2009. We have even re-designed the remediation plan to address the City's concerns (see the revised Preliminary Design Report dated November 2009), yet the City still unreasonably refuses to allow Chevron access. The City will not even sign an access agreement which is based on and is substantially similar to a Site Access Agreement which the

A/73222165.2

City and Chevron entered into in April 2008. We also have yet to receive any technical reports prepared by qualified and licensed professionals backing up the need to make any of the changes that the City has been requesting.

Chevron again believed that significant progress had been made of late with respect to the technical issues raised by the City concerning the interim remedial action. However, the most recent meeting with the City on December 21, 2009 was a very disappointing setback in the progress. After nearly eighteen months of discussions regarding a design flow rate of 850 to 900 gallons per minute (gpm), and after recently revising the design to accommodate a design flow of 1,000 gpm based on the City's outside attorney's requirement in August 2009 (see the revised Preliminary Design Report dated November 2009), the City demanded at the December 21, 2009 meeting that the design flow rate be increased to 1,250 gpm. However, the City has provided no technical rationale to support 1,250 as a reasonable yield from the Dance Hall well based on the aquifer characteristics and current well design. In comparison, Chevron has demonstrated through numerical modeling that 900 gpm is sufficient to capture the MtBE plume and to effectively remediate the aquifer. As a result, and relying on the City's knowledge of and consent to the 900 gpm flow rate expressed in several prior meetings dating back to late 2007 and throughout 2008, Chevron arranged in 2008 for the manufacture and purchase of a greensand filter at a very significant cost. In addition, due to the delays in starting construction of the IRAP, Chevron has been paying for the manufacturer to store the greensand filter until it is ready to be used. For these many reasons, the City's recent changes in requirements for the wellhead treatment system flow rate are disappointing and frustrating. We hope that the upcoming meeting on January 11, 2010 will be more productive and lead to real progress, which will result in Chevron being able to begin implementing the IRAP.

In short, Chevron is continuing to do everything in its power to comply with the revised CAO and to meet its deadlines. However, even with a 2-month reprieve afforded by the December 23, 2009 revision to the CAO, without permission to access the City's property, Chevron cannot construct and install the Dance Hall wellhead treatment system, and it is impossible for Chevron to meet the January 29, 2010 deadline for beginning construction of the IRAP remedy. Even if the City allowed Chevron access to the Dance Hall well today, Chevron still would not be able to meet the January 29, 2010 revised CAO deadline. As detailed in my October 12, 2009 letter, it will take several months from the date that access is granted before construction can begin, and approximately 7 months total from the access date before the IRAP system can be operating. Furthermore, at this time Chevron is unable to commit to a date by which we can begin construction of the IRAP remedy because the City is unreasonably preventing Chevron from accessing the Dance Hall well.

January 5, 2010
Page 3

Please let me know if you have any questions or would like to discuss these issues further.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Nmolla', written in black ink.

Natasha Molla

cc: Juan Garcia – Chevron
Jack Fraim – Cedar Creek Consulting
Joe Tait – City of San Juan Capistrano



Linda S. Adams
Secretary for
Environmental Protection

State Water Resources Control Board

Office of Chief Counsel

1001 I Street • Sacramento, California 95814 • (916) 341-5150
Mailing Address: P.O. Box 100 • Sacramento, California • 95812-0100
FAX (916) 341-5199 • <http://www.waterboards.ca.gov>



Arnold Schwarzenegger
Governor

June 29, 2007

Steven L. Hoch
Attorney At Law
Hatch & Parent, A Law Corporation
11911 San Vicente Boulevard, Suite 350
Los Angeles, CA 90049

Dear Mr. Hoch:

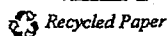
OLIN CORPORATION, 425 TENNANT AVENUE, MORGAN HILL, SANTA CLARA COUNTY

This letter responds to your letter of May 22, 2007 and your email of June 21, 2007.

On behalf of the City of Morgan Hill (City), your May 22 letter requested that the operation of the Tennant Avenue Well be included in Olin Corporation's cleanup plan in response to CAO No. R3-2006-0112. The Central Coast Regional Water Quality Control Board (Water Board) cannot "specify the design, location, type of construction, or particular manner in which compliance may be had" with the CAO, and Olin may "comply with the order in any lawful manner." (Ca. Wat. Code § 13360.) Although an order does not violate Section 13360 merely because there is only one feasible means of compliance (*Tahoe-Sierra Preservation Council v. State Water Resources Control Bd.* (1989) 210 Cal.App.3d 1421, 1438; *Pacific Water Conditioning Ass'n, Inc. v. City Council of City of Riverside* (1977) 73 Cal.App.3d 546, 554), staff has not concluded that operating the wellhead treatment system at the Tennant Avenue Well or an equivalent action is necessary to comply with the CAO or Resolution No. 92-49, either as an interim or final measure.

If Olin chooses to propose the continued operation of the wellhead treatment system as part of its remediation strategy, Water Board staff will consider that proposal when reviewing the overall cleanup strategy. If Olin does not propose this, staff will consider what added benefits the wellhead treatment could provide (e.g., faster cleanup, improved plume containment) when considering Olin's selected groundwater cleanup remedy. If wellhead treatment at the Tennant Avenue Well is part of Olin's cleanup activities, Olin and the City will have to work out any issues related to Olin's access to the wellhead treatment system and/or arrange for payment of associated costs.

California Environmental Protection Agency



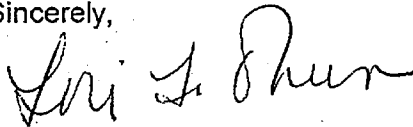
At this time, Water Board staff cannot determine whether operation of the Tennant Avenue Well provides hydrogeologic containment of the plume that would otherwise not be provided by the recently proposed Area I extraction wells. Olin's position is that the Tennant Avenue Well will not provide additional containment of the plume that the proposed Area I extraction wells will not. (See, Response to Comment #2 and Fig. 2-3 in Mactec's March 9, 2007 report addressing the Water Board's January 8, 2007 letter.) Water Board technical staff requires field data from the proposed extraction wells to confirm this. The City may have drawn perchlorate into the deeper aquifer(s) by running the Tennant Avenue Well; if so, continued operation of the well might help to contain the plume. As you point out, the Tennant Avenue Well has removed a large amount of perchlorate so we encourage the City to continue well operation.

Your letter suggests that the City must operate the Tennant Avenue Well to compensate for lost wells in other parts of the system. As you know, the Water Board cannot require Olin to provide replacement water for any wells with perchlorate concentrations at or below 6 µg/L. (State Water Board Order No. WQO-2005-0007.) Nor can the Water Board require Olin to replace the Tennant Avenue Well, because Olin has already done so by paying for installation of the San Pedro well.

In your June 21 email, you asked for the status of obtaining Olin's input data for groundwater modeling. Water Board staff has found a Department of Toxic Substances Control employee with experience in numerical modeling who will evaluate whether the groundwater model assumptions and output are valid and reasonable. Central Coast Water Board staff has also requested that Olin provide the electronic input files in our letter dated June 28, 2007. The electronic input files should be available to the public on August 3, 2007, in accordance with our June 28, 2007 letter.

The Water Board will provide the City with additional information as it becomes available.

Sincerely,



Lori T. Okun
Senior Staff Counsel
Office of Chief Counsel

cc: Olin IPL
Enclosures

s:\seniors\shared\site cleanup program\regulated sites\santa clara co\olin corp\morgan hill - komex\llagas
subbasin\2007\steven l hoch 6.26.07 hp.doc

California Environmental Protection Agency

Recycled Paper



March 9, 2007

Mr. Hector Hernandez
Regional Water Quality Control Board, Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, California 93401

Subject: Olin Response to Central Coast Water Board Comments
SLIC: 425 Tennant Ave, Morgan Hill
Second and Third Quarter 2006 Groundwater Monitoring Reports,
and East of Site Characterization Report
MACTEC Project No. 6100070002-09.07

Dear Mr. Hernandez:

On behalf of Olin Corporation (Olin), MACTEC Engineering and Consulting, Inc. (MACTEC) has prepared this letter response to comments presented in the Central Coast Regional Water Quality Control Board's (Water Board's) January 8, 2007 letter regarding the following reports:

- July 30, 2006 *Second Quarter 2006 Groundwater Monitoring Report, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California* (2Q Monitoring Report)
- October 30, 2006 *Third Quarter 2006 Groundwater Monitoring Report, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California* (3Q Monitoring Report)
- September 29, 2006 *East of Site Characterization, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California* (East of Site Report).

Water Board comments pertaining to the *Third Quarter 2006 On-Site Remediation Performance Monitoring Report (GeoSyntec)* will be addressed by GeoSyntec and submitted separately. The Water Board's comments pertaining to the MACTEC reports are reproduced below, followed by MACTEC's responses.

2Q AND 3Q MONITORING REPORTS

1. Revised Monitoring and Reporting Program

No response necessary.

2. Continued Monitoring of Groundwater Elevations

Comment 1. Provide an update on the results of the continuous groundwater elevation monitoring in well in the next quarterly monitoring report.

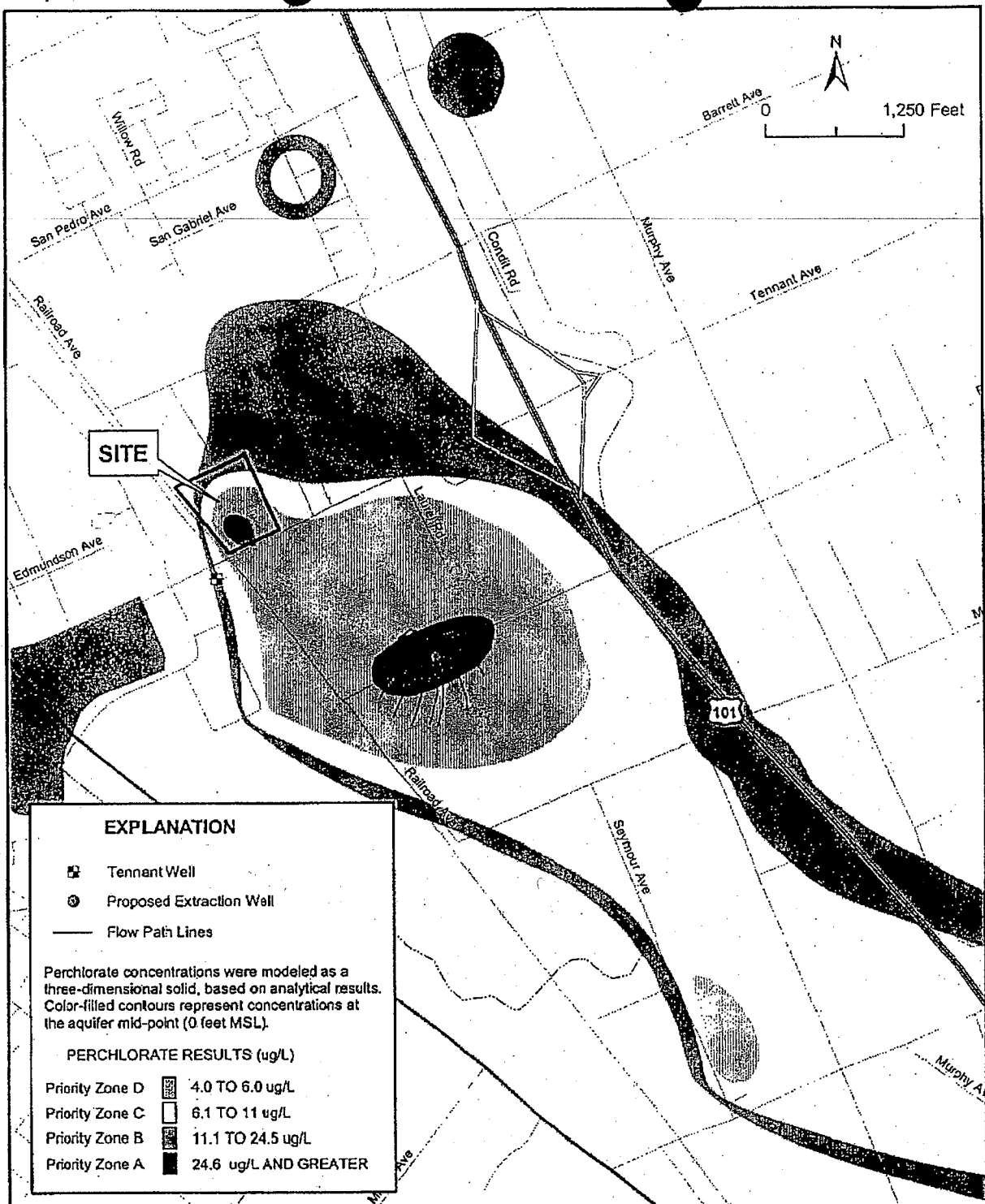
Response: Agreed.

Comment 2. Provide an analysis of how the Tennant Well pumping affects perchlorate distribution and capture zones in the intermediate and deep aquifer zones. The analysis should evaluate if the Tennant Well is pulling the perchlorate plume downward, and to what extent the Tennant Well is providing hydraulic containment of the perchlorate plume in the intermediate and deep aquifer.

Response: In a letter dated May 13, 2003, Olin Corporation stated that operation of the Tennant Well should not resume because of concerns regarding the potential for downward migration of perchlorate into the deep aquifer. Despite these concerns, the City of Morgan Hill elected to resume pumping and perchlorate concentrations have and continue to increase at MW-04C and MW-05C.

Time-concentration plots for deep monitoring wells MW-04, MW-05, and MW-06 prior and subsequent to the November 2004 restart of the Tennant Well are illustrated on Figure 1. These data illustrate that, while an increase in perchlorate concentrations at well MW-06C did not occur until well after the resumption of Tennant Well pumping, subsequent increases in concentration at wells MW-04C and -05C were immediate. These perchlorate concentration increases in the deep aquifer appear to have been a direct result of Tennant Well operation. Where prior to operation of the Tennant Well perchlorate concentrations were primarily less than the 6 µg/L PHG, perchlorate concentrations increased subsequent to operations and appear to have followed an increasing trend. Based on the increasing trend in concentrations at these two wells, continued operation of the Tennant Well is likely to result in concentrations higher yet in the deep aquifer beneath the Site. As a result, continued operation of the Tennant Well is likely to address perchlorate concentration that, as a result of Tennant Well operation, now exceed the PHG.

As reported in the *Area I Plume Migration Control Feasibility Study* (GeoSyntec, 2007), one extraction well is proposed for deep aquifer hydraulic containment of perchlorate within Assessment Area I. The numerical simulations referenced in this report include continuous operation of the Tennant Well. At the request of the Water Board, the deep aquifer capture simulation was modified to illustrate the potential capture area of the proposed extraction well without the influence of pumping from the Tennant Well. Potential capture areas from the proposed extraction well with respect to the Tennant Well operation as both on and off are illustrated on Figures 2 and 3. As these figures illustrate, that very little change occurs in the capture area of the proposed deep extraction well whether the Tennant Well is on or off.



Capture Area of Proposed Deep Aquifer Extraction Well
 Tennant Well On
 Response to Central Coast Water Board Comments
 Olin/Standard Fusee Site
 Morgan Hill, California

FIGURE

2

DRAWN
GFA

JOB NUMBER
6100070002 09.07

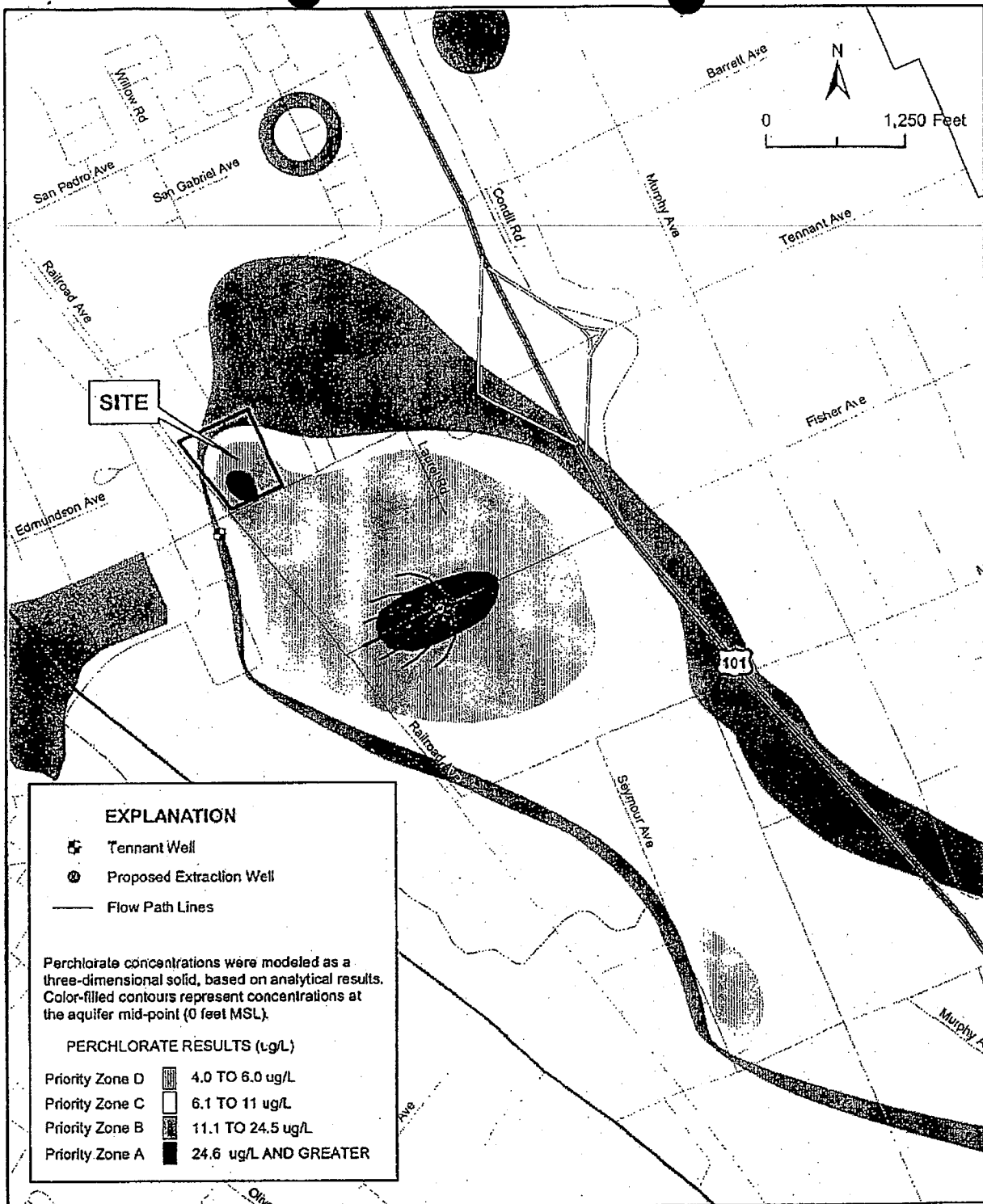
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CHECKED DATE
03/2007

APPROVED
MDT

APPROVED DATE
3-9-07

Figure2.mxd 03-08-07



MACTEC

Capture Area of Proposed Deep Aquifer Extraction Well
 Tennant Well Off
 Response to Central Coast Water Board Comments
 Olin/Standard Fusee Site
 Morgan Hill, California

FIGURE

3

DRAWN
GFA

JOB NUMBER
6100070002 09.07

CHECKED
JLP

CHECKED DATE
03/2007

APPROVED
MDT

APPROVED DATE
3-9-07

Figure3.mxd_03-08-07

From: Molla, Natasha (NatashaMolla) [mailto:NatashaMolla@chevron.com]
Sent: Friday, December 18, 2009 3:44 PM
To: Joe Tait
Cc: Barry Pulver; Craig Carlisle; Cris Carrigan
Subject: FW: Agenda for Dec 21st Meeting
Sensitivity: Confidential

Hi Joe, I haven't received yet the City's comments on the PDR. Please send them to me today so that our meeting on Monday can be as productive as possible. Also, below are just a few questions we have from a coordination review of the 80% design.

- The plans do not appear to show any contractor lay-down/staging for the GWRP expansion. Is it anticipated that all staging and storage of materials will happen on the existing GWRP site? If not, coordination will be critical since there is limited space adjacent to the site, and the remediation system will use most of that. If so, it would still be good to have these area located so we can coordinate our contractor operations.
- The schematics (Sheet 5 of 25) appear to show sodium bisulfite feed upstream of the greensand filters opposed to downstream. This is not consistent with our understanding of the current GWRP operation. Please confirm intent.
- Sheet 5 of 25 also notes only 2 sand separators, yet a new sand separator is shown on Sheet 7 of 25. It is our understanding that the sand separator for the remediation system was required to located outside the GWRP due to a new unit, and to simply coordination. Please confirm..

Lastly, these plans reflect quite a bit of survey data outside the GWRP property. Can you provide the survey data for confirmation in the area of our site? We look forward to meeting with you on Monday and discussing these issues further.

Natasha Molla
Team Lead, Retail and C&I-Southwest

Chevron Environmental Management Company
Marketing Business Unit
145 S. State College Blvd, Brea, CA 92821-5818
Office 714-671-3537 Mobile 714-926-8674 Fax 714-671-3440
NatashaMolla@chevron.com

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From: Barry Pulver [mailto:bpulver@waterboards.ca.gov]
Sent: Thursday, December 17, 2009 9:05 AM
To: Molla, Natasha (NatashaMolla); Joe Tait
Cc: Craig Carlisle; Cris Carrigan
Subject: Agenda for Dec 21st Meeting

Joe and Natasha,

Here is a final agenda for our meeting on Dec. 21. I am not sure who else will attend so please distribute the agenda as needed. Joe, to make this meeting as useful as possible please e-mail Natasha the City's comments on the 80% drawings and Preliminary Design Report today so Chevron will be prepared to discuss your comments on Monday.

If you need to contact me tomorrow regarding the meeting I will be checking e-mails.

Regards,

Barry S. Pulver, PG 4236, CEG 1364, CHG 696
Engineering Geologist
Ground Water Basins Branch
California Regional Water Quality Control Board
San Diego Region
858.467.2733
bpulver@waterboards.ca.gov

**PLEASE NOTE: THE REGIONAL BOARD OFFICE IS CLOSED BY THE
GOVERNOR THREE FRIDAYS PER MONTH UNTIL FURTHER NOTICE IN
COMPLIANCE WITH EXECUTIVE ORDER S-13-09**

From: Molla, Natasha (NatashaMolla) [mailto:NatashaMolla@chevron.com]
Sent: Monday, January 04, 2010 3:53 PM
To: Barry Pulver; Jack Fraim; Karen Kosiarek; Chuck Wolf; Eric Bauman; Joe Tait; West Curry
Subject: RE: Draft Meeting Minutes

Hi, attached are revisions from Chevron.

Natasha Molla
Team Lead, Retail and C&I-Southwest

Chevron Environmental Management Company
Marketing Business Unit
145 S. State College Blvd, Brea, CA 92821-5818
Office 714-671-3537 Mobile 714-926-8674 Fax 714-671-3440
NatashaMolla@chevron.com

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From: Barry Pulver [mailto:bpulver@waterboards.ca.gov]
Sent: Wednesday, December 23, 2009 2:48 PM
To: Molla, Natasha (NatashaMolla); Jack Fraim; Karen Kusiarek; Chuck Wolf; Eric Bauman; Joe Tait; West Curry
Subject: Draft Meeting Minutes

The attached are draft meeting minutes. Please submit your comments to me no later than 5 p.m. on January 5, 2010.

Regards

Barry S. Pulver, PG.4236, CEG 1364, CHG 696
Engineering Geologist
Ground Water Basins Branch
California Regional Water Quality Control Board
San Diego Region
858.467.2733
bpulver@waterboards.ca.gov

PLEASE NOTE: THE REGIONAL BOARD OFFICE IS CLOSED BY THE GOVERNOR THREE FRIDAYS PER MONTH UNTIL FURTHER NOTICE IN COMPLIANCE WITH EXECUTIVE ORDER S-13-09



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board San Diego Region

Over 50 Years Serving San Diego, Orange, and Riverside Counties
Recipient of the 2004 Environmental Award for Outstanding Achievement from USEPA



Arnold Schwarzenegger
Governor

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[http:// www.waterboards.ca.gov/sandiego](http://www.waterboards.ca.gov/sandiego)

CLEANUP AND ABATEMENT ORDER NO. R9-2009-0124

MEETING MINUTES

Meeting Date: December 21, 2009

Meeting Location: City of San Juan Capistrano Utilities Department

Prepared By: Barry S. Pulver

File No: T0605902379:bpulver



ATTENDANCE

Barry Pulver, San Diego Water Board
Natasha Molla, Chevron
Jack Fraim, Cedar Creek Consulting (Consultant for Chevron)
Karen Kosiarek, Geosyntec (Consultant for Chevron)
Chuck Wolf, Malcolm Pirnie, Inc. *via phone* (Consultant for Chevron)
Joe Tait, City of San Juan Capistrano
West Curry, City of San Juan Capistrano
Eric Bauman, City of San Juan Capistrano

DISCUSSION/SIGNIFICANT DECISIONS

Agenda Item 2 – Hearing Update

BP said that John Robertus will be the Hearing Officer and as stated in the revised Hearing Procedure (dated 12/2/09) will inform the Parties of his decision by or before December 23, 2009.

Agenda Item 3 – Recent Submittals

BP said that the documents due by November 30, 2009 have been received and judged to meet the requirements of the Order.

Agenda Item 4 – Meeting Schedule

It was agreed to hold monthly meetings to discuss technical issues related to the access agreement and the groundwater cleanup. Meetings will be held on the second Monday of each month, from 2 p.m. to 5 p.m. at the City of San Juan Capistrano Utilities Department. BP will prepare and submit draft agendas, act as scribe, and prepare meeting minutes. Draft meeting minutes will be distributed to meeting attendees for review and comment within 2 days of the meeting. Final meeting minutes will be distributed after receipt of comments on draft meeting minutes.

~~Meetings will be held monthly on the second Monday at the San Juan Capistrano Utilities Department from 2 p.m. to 5 p.m. Meetings will be on the following dates:~~

Jan. 11, Feb. 8, March 8, April 12, May 10, June 14, July 12, Aug. 23, Sept. 13,
Oct. 11, Nov. 8, Dec. 13

Agenda Item 5 – Municipal Water Supply Well Monitoring Data

The City will begin testing of the municipal water supply wells in January 2010.

The following issues were discussed:

MtBE Testing

In addition to the GWRP wells, the City has tested the Hollywood, Rosenbaum and North Open Space wells for MtBE using USEPA Method 8260-SIM, and the results have been non-detect (ND). The City has tested their new wells once for MtBE during pump testing and the results were ND using standard USEPA Method 8260B.

The City is testing the effluent from the GWRP (at the clear well) 2-3 times per week for MtBE using USEPA Method 8260-SIM. So far, results have been ND. The City will continue to operate the GWRP with MtBE in the raw influent as long as the effluent (at the clear well) remains below 0.02 micrograms per liter (µg/l).

PCE/TCE Testing

Because of the detections of TCE and PCE in wells located near the Dance Hall well, Chevron suggested that the City also test samples collected from the Dance Hall well for TCE and PCE. The City was said they were not aware that this was a concern; Chevron noted that they had previously brought the issue to the City's attention. BP stated that Urban Cleaners is an open case which has recently been transferred to the San Diego Water Board. BP will distribute an electronic copy of the latest report from Urban Cleaners.

There are health and operations concerns with the potential for TCE and PCE. TCE and PCE are known human carcinogens and have relatively low MCLs. TCE and PCE will occupy sites in the GAC and may result in more frequent GAC change outs.

The City agreed to test the next sample from the Dance Hall well for TCE and PCE. The City will check if TestAmerica can do 8260Sim for TCE and PCE to achieve an lower MDL of 0.02 micrograms per liter (µg/l) than the standard USEPA Method 8260B. If so they will use this method, otherwise they will use standard USEPA Method 8260b.

Historical Data

Chevron requested copies of historical municipal water supply well tests that they had not previously been provided by the City. The City will provide the data to Chevron for the period approximately June 2009 to present, including the analyses conducted using USEPA Method 8260-SIM. The City will provide the data in the form of PDF copies of full laboratory reports.

Chevron noted that several detections of MtBE in the Kinoshita well in 2007 were left off of the data summary that the City prepared as an exhibit to its Monitoring Plan. Chevron asked for an explanation for the omissions. No response was given.

Data Distribution

Beginning with the January 2010 GWRP monitoring, the City will forward an electronic copy (PDF) of the lab results reports to both the RWQCB and Chevron.

Other Sources

BP noted that he is looking into potential additional sources of MtBE to the City's wells, including the 7/11 site, which the RWQCB is taking over from OCHCA.

Agenda Item 6 – IRAP Implementation

Visual Screening of Treatment Compound

Chevron presented a plan, which was included in the Preliminary Design Report, to use a 18 foot high fence, lower the grade a couple of feet, and some planting to provide a visual screen for the treatment compound. The City had concerns with the plan as the former Mayor won't accept it. JT stated that the final decision on the visual impacts will be made by the Mayor and City Council. JT suggested that first agreement should be made on the number of treatment trains as it will have an impact on the visual screening.

Department of Public Health

Chevron stated that they consulted with DPH and they have no objections to the proposed IRAP incorporated DPH's requirements ((bacteriological testing and potential disinfection) into the revised December 1, 2009 Preliminary Design Report (PDR).

The City stated that it believes that the proposed design flow rate through the greensand filter does not meet DPH and manufacturer (Tonka) requirements for removal of iron and manganese. Chevron will research the issue for the next meeting.

A discussion ensued regarding whether the IRAP system should be judged to be part of the drinking water system. The City maintains that all DPH requirements need to be met and that the water that comes out of the IRAP system should meet all of the City's requirements for going into the reverse osmosis (RO) membranes (including Fe and Mn removal). Chevron maintains that the system is a remediation system, not a drinking water system, and that the point of removing the Fe and Mn is to protect the GAC, nothing more. Some discussions were held about changing the point at which the IRAP system connects into the City's system to alleviate concerns about any constituents in the water other than MtBE. No decisions were made.

Survey Data

Chevron asked if the City had survey data for the area outside of the GWRP. The City stated that a survey was conducted in within the GWRP but not outside. Chevron stated that it will need to do a survey.

Orange County Flood Control District (OCFCD)

Chevron provided an update on its discussions with OCFCD. OCFCD has no objections to siting the proposed IRAP equipment on the OCFCD property, nor the proposed grading plan. OCFCD will require the land to be restored to its original condition at the end of the lease. OCFCD also requires a buffer zone between the IRAP construction and the flood control channel.

Southern Orange County Water Agency Waste Discharge Permit (SOCWA Permit)

The SOCWA Permit application submitted by Chevron for "Plan B" has been held up by SOCWA at the City's direction. The City stated that they could not approve the SOCWA Permit because the added discharge would go against their allocation and could impact the City's use of the sewer system, particularly because there are concerns regarding clogging and also overflow during wet events. There was also a concern about capacity of the regional plant. Steve Edelman and West Curry will meet with SOCWA to work out the capacity issue.

Agenda Item 7 – Dance Hall Well IRAP Well Head Treatment System

Design Flow Rate

No agreement was reached. The City maintains that the IRAP should be designed for a flow rate of 1,250 gallons per minute (gpm) based on a study done for driller's records that the City has. The City acknowledges that the pump currently installed in

the Dance Hall well is undersized and theorizes that the well could yield more water if the correct pump was installed. The City wants to pump as much water as the well can yield rather than limit the flow to what Chevron needs to contain and capture the petroleum-hydrocarbon-plume. Chevron maintains that based on historical pumping data over the past 4 years as well as the original well design, the Dance Hall well's sustained pump rate is on the order of 900 gpm, therefore a design using a flow rate of 1,000 gpm should be acceptable as previously agreed.

Chevron suggested that if the City wants to maximize the quantity of groundwater extracted they could operate Dance Hall at 1,000 gpm and increase the production rates of the other wells to make up the difference. There was a discussion regarding the competing factors in the design parameters: (i) restoring the water production that the City lost when it chose to stop using the Dance Hall well due to MtBE (<900 gpm) and (ii) increasing water production from the Dance Hall well as part of the City's ongoing and future efforts to increase production from the entire GWRP in future years.

To assist the parties in reaching agreement on the design pumping rate, a document exchange will be made to give everyone an opportunity to review the data prior to the next meeting.

Treatment Trains

Further discussion on this topic will be deferred until a flow rate can be agreed. City requested to review a copy of the RSSCT to determine treatment design. Chevron will provide the City a copy.

Bio Fouling

The City expressed concern that there could be a bio fouling problem. Chevron agreed to review the concerns, and to potentially use a hydrogen peroxide treatment when needed, and the City agreed to allow Chevron to store a hydrogen peroxide tank within the GWRP compound if needed.

Monitoring GAC Saturation

The City had concerns regarding monitoring for GAC saturation which is needed to determine when GAC changouts are needed. Chevron will address this in the future revisions to the monitoring plan.

Truck Turning Radius

The City requested a copy of the truck turning radius study. Chevron will provide the City a copy.

PDR-Review

Chevron requested the City's comments to the PDR. The City stated that the review is complete and they will forward a copy to Chevron by the end of the week of December 21, 2009.

Non-Agenda Items

Drinking Water Source Assessment

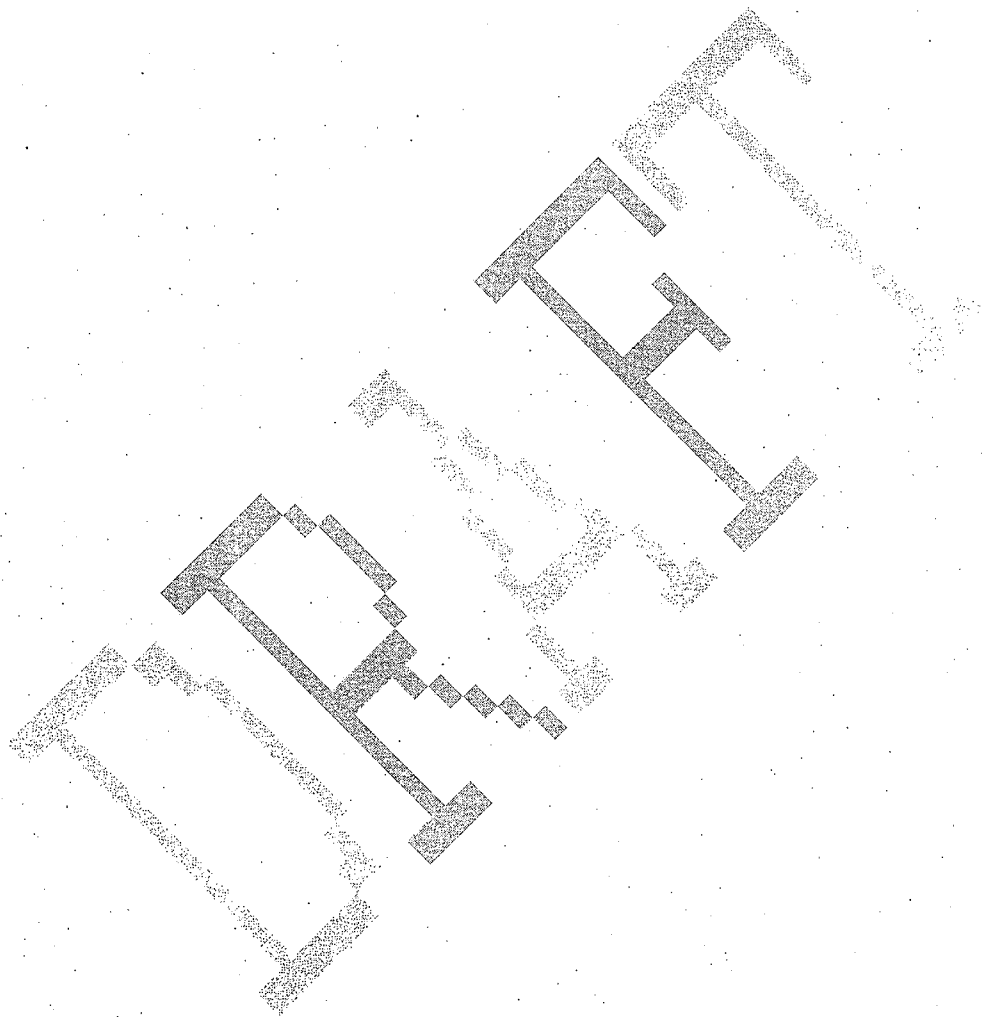
The City stated that the DPH considers the entire aquifer to be contaminated and required DWSA for all of the City's wells.

NEXT MEETING

Date: January 11, 2010

Main Topic: Agreement on Design Flow Rate

Preparation: Please be prepared to present technical data to support design flow rates and prepared to reach agreement on the flow rate. Prior to the next meeting and no later than the first week of January please distribute all documentation you plan on using to support your proposed flow rate.





Natasha Molla
Team Lead, Retail and
C&I-Southwest

**Environmental
Management Company**
Marketing Business Unit
145 S. State College
Boulevard
P.O. Box 2292
Brea, California 92822-2292
Tel 714-671-3537
Fax 714-671-3440
natashamolla@chevron.com

November 20, 2009

Joe Tait
Interim Utilities Director
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

**Re: Resolution of the City's Technical Concerns Regarding Chevron's Design of
the Dance Hall Wellhead Treatment System**

Dear Mr. Tait:

I am writing to follow-up on my November 6, 2009 letter to you. As I stated in that letter, I believe the meeting between Chevron and the City of San Juan Capistrano's (City) technical representatives, and with Barry Pulver from the Regional Water Quality Control Board, San Diego Region (Regional Board), on October 29, 2009 was very productive and resolved most, if not all, of the City's technical concerns about Chevron's design of the Interim Remedial Action Plan (IRAP) for wellhead treatment on the City's Dance Hall well. The e-mail that you sent me on October 30, 2009, and the letter that Mr. Pulver sent me on November 12, 2009,¹ on which you were copied, confirmed the same. However, Chevron's counsel, Jill Teraoka, recently informed me of a conversation she had with the City's counsel, Duane Miller, on November 4, 2009, in which Mr. Miller stated that what he had heard about the technical meeting was not encouraging and that the parties had made no progress. According to Mr. Miller, the City believes that there have been a number of meetings between the parties without any progress. Additionally, Mr. Miller remarked that Chevron's design for the wellhead treatment system was "ridiculous" and "non-functional," and he insisted that Chevron would have to hire a new "expert" to completely re-design the system because the City has no faith in Malcolm Pirnie's ability. Mr. Miller also stated that the City will not meet with Chevron to discuss access and settlement issues unless and until the City sees some progress and that Chevron is addressing the City's technical concerns. For obvious reasons, these comments are both confusing and disconcerting.

¹ Specifically, Mr. Pulver stated, "Overall the meeting was very productive and either agreement or the process to obtain agreement on the technical issues was reached."

November 20, 2009

Page 2

It is my understanding that the parties agreed to several key design parameters for the Dance Hall wellhead treatment system, as well as several action items, during the October 29, 2009 meeting. These design parameters and action items were described in my November 6, 2009 letter. I asked that you notify me immediately, in writing, if anything in my letter did not accurately describe what the parties had discussed and/or agreed upon at the meeting. Two weeks have passed, and I have not received any such notification from you. Please respond in writing no later than December 2, 2009 and let me know whether, as Mr. Miller indicated, the City believes that Chevron is not addressing the City's technical concerns, Chevron's design for the wellhead treatment system has to be completely re-done, and/or my November 6, 2009 letter describing the parties' discussions and agreements was in any way inaccurate. In addition, please send me the 80% design package for the Groundwater Recovery Plan expansion, as agreed during the October 29, 2009 meeting, so that the parties may proceed with the implementation of the IRAP.

Finally, as stated in my November 6, 2009 letter, it is important that the parties keep in mind that the Regional Board intends to enforce the deadlines set forth in the Revised Cleanup and Abatement Order. Absent cooperation, both the City and Chevron are likely to be issued Notices of Violation (NOVs) and may be subject to administrative penalties and fines.

We look forward to your prompt response and cooperation with implementing the IRAP expeditiously.

Sincerely,



Natasha Molla

cc: Eric Barman – City
West Curry – City
Juan Garcia – Chevron
Jack Fraim, PE – Cedar Creek Consulting
Barry Pulver, PG, CEG, CHG - California Regional Water Quality Control Board

MEETING MINUTES

Meeting Date: January 11, 2010

Meeting Location: City of San Juan Capistrano Utilities Department

Prepared By: Natasha Molla, Chevron

ATTENDANCE

West Curry, City of San Juan Capistrano

Natasha Molla, Chevron

Jack Fraim, Cedar Creek Consulting (Consultant for Chevron)

Chuck Wolf, Malcolm Pirnie, Inc. (Consultant for Chevron)

Karen Kosiarek, Geosyntec *via phone, partial attendance* (Consultant for Chevron)

DISCUSSION/SIGNIFICANT DECISIONS

Agenda Item 1 – Dance Hall well (flow rate, pump needed, pump performance (pump curves)), remediation system pressure drop and GWRP tie in head requirements

Chuck Wolf explained the rationale for the proposed 900-1000 gpm flow rate for the IRAP remediation system using the DHW. City's historical data and the well driller's report reviewed by stamped professionals show that 1000 gpm is the maximum sustainable flow rate for continuous operations under ideal aquifer conditions (i.e., no competition from other wells, water levels at 18 ft bgs or higher). Chevron estimates that the duration of the IRAP remediation system will be approximately 1 million minutes (approximately two years) of continuous flow from the DHW. Chevron does not want the DHW screen exposed by pumping at a higher flow. Chevron wants to use the proven sustainable flow rate in order to remediate the plume. The driller installed a 900 gpm pump for long-term operation of the well following its step and constant-rate pumps test because they had tested the flow rate sustainability of that well. In Chevron's opinion, the designers chose the correct pump size.

West stated that the driller's report states that it flowed at a constant 1000 gpm and that is the minimum needed to build the basin (basin management). West's job is basin management. According to West, the City needs a higher flow rate for the long term operation. West says the driller installed a 900 gpm pump for the long-term operation because the City told them too. West feels a higher flow rate is needed as the aquifer and all of the wells are contaminated by MtBE. The City feels Chevron is not using the right detection limit to show the limits of the plume.

Jack stated Chevron is willing to put the money that it would have spent for an impeller and motor to meet the 900-1000 gpm flow rate towards the purchase by the City of a larger pump/motor (> 1000 gpm) such that the City can buy whatever size they want for long-term pumping of DHW with the following caveat: The City must agree to purchase and install a VFD and, while the remediation system remains in operation, agree not to pump the DH well greater than 1000 gpm and less than that when the water level approaches five feet of the well screen. This flow rate (1000 gpm or less) is necessary to ensure safe operation of the greensand filter and protection of GAC filters from iron and manganese fouling.

West was concerned about the total dynamic head (TDH) with a flow rate of 1000 gpm. Chuck stated that TDH and flow rate are two separate issues. The right equipment can be procured to achieve the needed TDH with a 1000 gpm. A discussion ensued regarding the TDH required and how to calculate the value. West says City Council will decide if 1000 gpm is okay as a flow rate for the IRAP. West will not endorse it. West needs the TDH and curve. He will speak to Zeki of AKM on the TDH needed.

Agenda Item 2 – Miscellaneous issues such as ground elevation of remediation system components; number of GAC vessels, aesthetic screening; RSSCT protocols; SOCWA issues; and City comments on PDR

West acknowledged that he had received messages from Steve Edelman from HFA to set up a meeting with SOCWA. West stated that two issues, the Plan B and GAC backwashes, need to be resolved as the City doesn't want to pay fines given to SOCWA on those issues. West feels MtBE will be in the GAC backwash and that will cause fines. The City can only discharge 35,000 gal/day without prior agreement with SOCWA or paying a fine for excessive discharges.

West says the City Council will not be happy with 4 GAC vessels, the fencing, the detection limits nor the GAC grade elevation being the same as the GWRP. He said that the City's concern is aesthetics and that Chevron can do these things but isn't willing. Chevron has previously told the City that first Chevron needs to receive the City's written comments on the PDR and the parties need to reach an agreement on the technical aspects of the design prior to devoting significant attention to aesthetic issues.

West will give Chevron the City's comments on the November 2009 PDR that Joe approved on Sunday. He agreed to send them by the afternoon of Tuesday, January 12, 2010.

Other deliverables previously promised by the City that Chevron is still waiting to receive are:

- Geoscience report stating basin flow sustainability
- Laboratory results (in PDF format) of MtBE testing in GWRP wells since approximately June 2009;
- A response from the City regarding the missing laboratory data from their GWRP Monitoring Plan;
- The City's signature on the access agreement.

NEXT MEETING

Date: No next meeting was set but the next regularly scheduled meeting is Monday, February 8, 2010

Preparation: The City will send Chevron the information previously requested and stated above. The City will report back on the Council's decision regarding the proposed 900-1000 gpm flow rate



Natasha Molla
Team Lead, Retail and
C&I-Southwest

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December 18, 2009

Joe Tait, City Manager
City of San Juan Capistrano, California
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Re: Response to City of San Juan Capistrano (City) Letter Dated November 25, 2009
concerning the October 29, 2009 Technical Meeting

Dear Mr. Tait:

We are in receipt of your letter dated November 25, 2009 which details the City's position with respect to the October 29, 2009 meeting involving the City, Chevron, and Barry Pulver of the Regional Water Quality Control Board, San Diego Region (RWQCB). As we noted in our original letter summarizing the meeting, we believe the October 29, 2009 meeting was a very productive meeting, and this was confirmed by Mr. Pulver's letter dated November 12, 2009. Your letter, however, shows that the City's opinion of the meeting is in stark contrast to both Chevron's and Mr. Pulver's impressions of that meeting. This is despite your e-mail to me of October 30, 2009 that suggested that you agreed that the October 29, 2009 meeting was productive and "hopefully leads to a resolution".

Based on the agreements of the October 29, 2009 meeting, our team developed a new preliminary design. The results of that work were transmitted to the City in the form of a new Preliminary Design Report (PDR) on November 30, 2009. However, based on your letter, it appears that the City has since reconsidered many of the agreements we thought had been reached at that time. It is our sincere hope that the questions detailed in your November 25, 2009 letter were addressed by the design efforts documented in the PDR and that we can get this design effort back on track. Herein, we provide specific responses to your question/comments in your November 25, 2009 letter. Where applicable, references to the PDR are included.

- Comment: "Page 1 – bullet #1: Chevron's design firm, Malcolm Pirnie, in their report of August 2008, notes the design flow rate at 1120 gpm for the Dance Hall Well (DHW). Including the system dynamics changes throughout the day, there needs to be a 10% safety factor built into the design which will take the required design flow to a maximum

of 1250 gpm in order to meet the maximum loading rates on these systems. Historically, the well has produced a sustainable yield of 1250 gpm, during well development."

- Response: The design point of the MtBE remediation system in the August 2008 report is not 1120 gpm, but 900 gpm. In the August 2008 report, 1120 gpm is noted as the "maximum flow" not the design flow, which was noted as 900 gpm based on conversations in 2007 and 2008 with the City. Furthermore, available documentation of the existing well pump's capability shows that the pump has a maximum "run-out" capacity of approximately 1120 gpm. It appears that you may be confusing the maximum flow potential of the existing pump with the design point of the system. Also, the City's own documentation (Appendix #02e of the Work Plan for Monitoring and Reporting of MtBE and TPH testing results for the Ground Water Recovery Plant Wells) lists the "estimated long term pumping rate" as 1,000 gpm.
- The City and Chevron agreed at the October 29, 2009 meeting that a design flow rate of 1,000 gpm was appropriate, and Malcolm Pirnie has re-evaluated the MtBE remediation system design to meet the agreed upon flow rate of 1000 gpm. Malcolm Pirnie has also provided recommended modifications to the DHW pump so that the GAC remediation system can achieve this flow rate. The updated information is included in the PDR transmitted on November 30, 2009. Per the agreement at the October 29, 2009 meeting, Chevron will provide the existing well pump equipment to the City for storage and replacement at the conclusion of remediation operations.
- No available information suggests that a design flow rate beyond 1,000 gpm is necessary or reasonable. We do not agree that well development flow rates constitute the well's sustainable yield in light of the information provided by the City as to its own estimate of "estimated long term pumping rate."
- Comment: "Page 1 –bullet #2: Due to the design flow rate (1150 gpm) per Chevron's design firm, treatment for MtBE could consist of three (3) trains of two (2) granular activated carbon (GAC) vessels each, subject to the city's selection of shape, height, and width of said vessels and at what elevation they will be situated. The correct number of vessels will be determined by required engineering calculations. The current information that Chevron has provided does not justify their assertions that two trains of two vessels will be sufficient to treat a stream of 1120 gpm."
 - Response: Please see the response directly related to the design flow rate of the remediation system.
 - The number of vessels required has been calculated as stated in the November 30, 2009 PDR based on modeling data and recommendations of licensed Professional Engineers in the State of California. Two trains of two vessels each are sufficient from an engineering perspective for treatment of MtBE with reasonable periods for carbon change-out frequency.
 - The "shape, height, and width" of the vessels is not an engineering issue.

- The aesthetics of the screening of the DHW remediation system will be worked out with appropriate City personnel once agreement has been reached on substantive technical issues. As discussed during the October 29, 2009 meeting, many options are available to meet the City's requests regarding aesthetics; however, those decision cannot be made until agreement is reached on the critical technical issues.
- Comment: "Page 1 – bullet #3: The final correct number of GAC vessels and DHW green sand filters will be placed outside the existing Groundwater Recovery Plant (GWRP) on Orange County Flood Control District (OCFCD) property, subject to OCFCD land lease requirements secured by Chevron."
 - Response: Chevron is in agreement that the location of the DHW remediation system's two GAC trains and a single greensand filter unit (with two chambers) will be outside the GWRP per our October 29, 2009 meeting. The November 30, 2009 PDR reflects the agreed-upon location. Discussions with OCFCD are in progress regarding a temporary land lease.
- Comment: "Page 1 – bullet #4: (and Page 2 – bullet #3: Agreed with the exception that green sand filter should state green sand *filter(s)*."
 - Response: This is likely a semantics issue, but the design as stated in the PDR includes a single green sand filter unit that contains two chambers. This unit has already been procured.
- Comment: "Page 1 – bullet #5: The suitability of adequate space for GAC change-out was not confirmed so much as no fatal flaws were evident. A turning radius study for the intended delivery equipment should be conducted."
 - Response: As noted in the October 29, 2009 meeting, a turning study had already been conducted to determine the suitability of truck access. The results of this study have been incorporated into the PDR.
- Comment: "Page 2 – bullet #1: Concerns remain for this being an option until such time that flows and vessels numbers and sizes are confirmed."
 - Response: Regarding the operation of the GAC in a lead-lag configuration and the staggering of GAC changeouts so that the DHW can continue to operate without MtBE breakthrough, using one vessel per train, during the changeouts, please reference the responses above, the preliminary O&M Plan sent to the City on November 23, 2009 and submitted to the RWQCB on November 30, 2009, and the PDR sent to the City on November 30, 2009. These document not only the viability of the remediation system design, but also the approach to operations.
- Comment: "Page 2 – bullet #2: Appears acceptable; however, additional costs associated with new backwash rates or additional maintenance of the membranes should be borne by Chevron."
 - Response: Regarding the agreement that Chevron would use the existing GWRP backwash system for the backwash associated with the initial charging and later changeouts of the GAC vessels and that additional costs associated with the extra backwashing for the DHW remediation system will be borne by Chevron, note

that in accordance with previous discussions, where identifiable costs are incurred by the City for operation of the remediation system, Chevron will reimburse the City for those direct costs. This is also applicable to electrical power and chemical use associated with the remediation system (does not include cost of operating the DHW).

- Comment: "Page 2 – bullet #5: San Juan Capistrano's operation, monitoring and reporting is limited to the normal conduct of operations of the system as a source water well. All other testing, monitoring, data collection, and reporting costs relative to MtBE should still be the responsibility of Chevron."
 - Response: Chevron will include a Sampling and Analysis Plan (SAP) for the DHW remediation system as part of the final design. Samples will be collected per the SAP by the City's GWRP staff and forwarded for analysis to the laboratory chosen by Chevron. Chevron will bear the cost associated with the collection and shipment of the samples related to the DHW remediation system plus pay the laboratory chosen by Chevron directly for the analysis cost for those samples. Results of the analysis will be shared with the City and used in the overall O&M of the remediation system.
- Comment: "Page 2 – bullet #6: Chevron will upgrade the pump impeller and motor to allow it to meet a flow rate of 1150 gpm. The existing motor starter must be sized to meet the new 1150 gpm demand. Field verification of this motor and starter is required."
 - Response: Please see the earlier response regarding the design flow rate for the DHW remediation system of 1000 gpm. A new motor starter is not required for a flow rate of 1,000 gpm.
 - As discussed in the October 29, 2009 meeting, field verification/coordination of the new motor and pump impeller to be provided by Chevron with the existing motor starter, as well as the City's planned variable frequency drive (VFD), will be conducted during final detailed design of the remediation system so that the remediation system generates the agreed upon 1000 gpm through-put capacity.
- Comment: "Page 2 – bullet #7: Prior to the City confirming it has the necessary power, it needs from Chevron the actual values of the power draw as evaluated and confirmed by the City's electrical contractor."
 - Response: We believe that this is a simple coordination item for development during detailed design, after the fundamental design concepts in the PDR are agreed upon. In order to provide the actual power draws, Chevrns needs final information from the City on the planned VFD for the DHW.
- Comment: "Page 2 – bullet #8: Agreed – with the additional of the words "and operated for a period of time sufficient to realize the daily operations nuances of the new system" after the word "started." Any O&M plan submitted to the State must be approved by the City."
 - Response: Regarding responsibilities for preparing the final O&M Plan, Chevron agrees that the City will prepare and submit to the RWQCB a more detailed and final O&M Plan after the DHW remediation system is started and operated for a

period of time sufficient to realize the daily operations nuances of the new system. It will be the City's responsibility to submit the Plan to the RWQCB (i.e., "the State").

- Comment: "Page 2 – bullet #10: Agreed and it should be noted that it is the sole decision of the City to maximize Dance Hall Well flows per operational requirements as determined by the City to best maximize operational conditions."
 - Response: We understand the City's desire to maximize the flow generated from the DHW; however, the agreed design point for the remediation system is 1000 gpm, and it is Chevron's expectation that the City will operate the well at that flow rate to capture the MtBE plume, which is the intent of the DHW remediation system. As noted in the RWQCB's meeting minutes from the October 29, 2009 meeting, "The City agreed that they will operate the Dance Hall well for the IRAP and that they will plan on pumping as much water from the Dance Hall well as they can for water production." It is critical that the City meet these expectations for plume remediation to be successful.
- Comment: "Page 2 – bullet #11: Agreed - However, the City reserves the right to employ independent experts, at Chevron's expense, to evaluate and review operations for optimal performance."
 - Response: Chevron welcomes the review of its design by the City's own independent, qualified experts. However, the cost of that review is not a cost to be borne by Chevron. Chevron has hired a world-renowned design firm, Malcolm Pirnie, whom the City has agreed (October 29, 2009) is very qualified to complete the design. If the City decides to have its own experts, it is free to hire them at its own expense.
- Comment: "Page 3 – bullet #2: While the City would ideally like to concurrently coordinate both events, dates identified by the SDRWQCB will supersede this desire. (CAO R9-2009-0124; Order B.1 and B.2 stipulate that the construction of the DHW remediation system is to commence November 30, 2009. By this order, waiting for completion of the Eastern Well is precluded."
 - Response: Regarding the ideal coordination requested by the City between construction of the DHW remediation system and the City's expansion of the GWRP planned for completion in approximately August 2010, Chevron agrees that some level of coordination is desirable, but that the highest priority is getting the DHW remediation system online. . .
- Comment: "Page 3 – bullet #3: The City assumes that Chevron will utilize a number of new Calgon GAC vessels as determined by maximum flow calculations provided by Chevron and agreed to by the City and to be selected for size and shape by City staff."
 - Response: As discussed several times previously, including during the October 29, 2009 meeting, Chevron intends to use reconditioned Calgon 10 GAC units for the DHW remediation system. These Calgon 10 GAC units are sufficient for treatment of MtBE at the design flow-rate of 1,000 gpm. Results of these

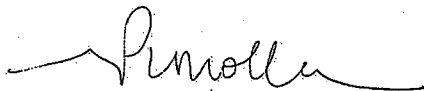
Mr. Joe Tait
December 18, 2009
Page 6

evaluations are included in the PDR transmitted to the City on November 30, 2009.

- Comment: "Page 3 – bullet #4: Replace greensand filter with greensand *filter(s)* and 1000 gpm to 1250 gpm."
 - Response: Please see the responses above relative to these two comments (responses to "Page 1 – bullet #1" and "Page 2 – bullet #3").
- Comment: "Page 3 – bullet #6: Agreed with the exception of the identified four (4) GAC canisters that should stated the City's final determination of the number of new GAC canisters."
 - Response: Please see response to comment "Page 1 – bullet #2".

We hope that many of the issues raised above can be resolved once the City has had the opportunity to review the updated detailed design information contained in the PDR sent to the City on November 30, 2009. We look forward to meeting with you on December 21, 2009 to further discuss moving forward with final design and construction of the DHW remediation system.

Sincerely,



Natasha Molla

cc: Juan Garcia – Chevron
Jack Fraim – Cedar Creek Consulting
Barry Pulver, PG, CEG, CHG - California Regional Water Quality Control Board

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5 ATTORNEYS FOR CHEVRON U.S.A. INC.
6
7

8 CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
9 SAN DIEGO REGION
10

11 In Re:

No. T0605902379:bpulver

12 SAN DIEGO REGIONAL WATER
QUALITY CONTROL BOARD
13 REVISED CLEANUP AND
ABATEMENT ORDER REGARDING
14 CHEVRON SERVICE STATION
NO. 9-3417, 32001 CAMINO
15 CAPISTRANO, SAN JUAN
CAPISTRANO, CALIFORNIA
16
17
18

DECLARATION OF NATASHA MOLLA IN
SUPPORT OF CHEVRON U.S.A. INC.'S
PETITION FOR REVIEW OF REVISED
CLEANUP AND ABATEMENT ORDER NO.
R9-2009-0124; AND REQUEST FOR STAY

[T0605902379:bpulver]

19 I, Natasha Molla, declare:

20 1. I am the Team Lead, Retail and C&I-Southwest for Chevron
21 Environmental Management Company ("CEMC"), which provides certain environmental
22 liability management and consulting services for Chevron U.S.A. Inc. ("Chevron").

23 2. I have personal knowledge of the facts set forth in this Declaration and
24 could and would competently testify to them if called upon to do so.

25 3. Since approximately October 2006, I have been closely involved with the
26 investigation and remediation of contamination related to discharges from Chevron Service
27 Station No. 9-3417, located at 32001 Camino Capistrano, San Juan Capistrano, California (the
28 "Site").

EXHIBIT 101

DECLARATION OF NATASHA MOLLA IN SUPPORT OF CHEVRON'S
PETITION FOR REIVEW OF REVISED CAO NO. R9-2009-0124

1 4. CEMC is the organization within Chevron that manages Chevron's
2 environmental liabilities with respect to the Site and ensures that Chevron manages the cleanup
3 of soil and groundwater appropriately.

4 5. As part of my job responsibilities, I have participated in meetings
5 regarding the investigation and remediation of contamination related to the Site.

6 6. On January 14, 2009, I attended a meeting between Chevron and City staff
7 at which City staff asserted several times that "the only obstacle" to the City allowing Chevron to
8 install the Dance Hall Well wellhead treatment system was the City having access to Chevron's
9 preliminary groundwater model.

10 7. On or about February 20, 2009, Chevron, the City, and Geoscience
11 Support Services, Inc. (the "City's Modeler") entered into a Cooperation and Non-Disclosure
12 Agreement for the purpose of providing the City's Modeler with the source file for Chevron's
13 preliminary groundwater model. Pursuant to the terms of this agreement, the City's Modeler and
14 Geosyntec, Inc. ("Chevron's Modeler") met on March 4, 2009 to discuss, among other things,
15 the design, objectives, calibration, limitations, and use of Chevron's preliminary groundwater
16 model, as well as the results obtained from the model by Chevron's Modeler. At this meeting,
17 Chevron's Modeler gave the City's Modeler a compact disk containing the source files for
18 Chevron's preliminary groundwater model. However, despite the City's repeated assertions at
19 the January 14, 2009 meeting that "the only obstacle" to the City allowing Chevron to install the
20 Dance Hall Well wellhead treatment system was the City having Chevron's preliminary
21 groundwater model, to date, the City has not allowed Chevron access to the Dance Hall Well to
22 install the wellhead treatment system.

23 8. Following a meeting held on October 29, 2009 between the City,
24 Chevron's technical representatives (including me), and the Regional Board, Chevron revised its
25 Preliminary Design Report in November 2009 ("Revised PDR"). Chevron transmitted the
26 Revised PDR to the City for review and comment by letter dated December 1, 2009.

27 9. On December 17, 2009, the Regional Board instructed the City to provide
28 its comments on the Revised PDR and the 80% design drawings to Chevron prior to the technical

1 meeting scheduled on December 21, 2009. The City did not comply with this request. Instead,
2 at the December 21, 2009 meeting between Chevron and City staff (which I attended), the City
3 stated that it would provide its comments to Chevron before the end of the week. The City
4 missed this deadline. Subsequently, during the technical meeting held on January 11, 2010
5 between Chevron and City staff (which I attended), the City stated it would send its comments to
6 Chevron by January 12, 2010. Notwithstanding this representation, and Chevron's repeated
7 requests for the City's comments, the City has yet to send its comments on the Revised PDR to
8 Chevron. In fact, the City recently informed Chevron that the Dance Hall Wellhead System
9 would have to be re-designed yet again to accommodate the City's new desired design flow rate
10 of 1,250 gpm. The City has not provided any technical basis for this demand nor is it supported
11 by any statements by qualified professionals. Further, the City has provided no explanation as to
12 why this issue was not raised until recently.

13 10. Relying on previous statements made by City officials and staff, Chevron
14 paid approximately \$800,000 for the fabrication of a greensand filter for the Dance Hall Well
15 based on the 900 gpm flow rate. Chevron has advised the City and the Regional Board that this
16 greensand filter cannot be used if the flow rate is increased to 1,250 gpm. Fabricating a new
17 greensand filter would delay construction of the wellhead treatment system and would
18 substantially, and unnecessarily, increase remediation costs.

19 11. On December 21, 2009, Chevron representatives and I attended a meeting
20 with Barry Pulver from the Regional Board and with City staff, at which West Curry, the City's
21 Assistant Utilities Director, indicated the City was now willing to consider and sign an
22 agreement permitting Chevron access to the Dance Hall Well for the purpose of constructing the
23 wellhead treatment system. Based on this statement, on December 23, 2009, I sent Mr. Curry the
24 Interim Remedial Action Access Agreement to sign. The agreement contains provisions similar
25 to those contained in previous agreements entered into by the City and Chevron. However, to
26 date, I have not received a signed version of the agreement from the City.

27 12. Chevron will suffer substantial harm if a stay of the Revised CAO is not
28 granted because Chevron will be exposed to administrative and civil liability for failing to

1 comply with the Revised CAO, even though such compliance is beyond Chevron's legal or
2 technical control. Significantly, the Revised CAO directs Chevron to perform activities on the
3 City's property, despite the fact that the City has refused Chevron access to the City's property
4 for nearly two years. Based on its conduct over the past two years, I believe that the City will
5 continue to deny Chevron access to the City's property for the indefinite future. Further, because
6 the City is not a Responsible Party under the Revised CAO, it is not subject to any penalties or
7 enforcement actions for not complying with the Revised CAO and for not allowing Chevron
8 access. Additionally, the Revised CAO directs Chevron to condense seven months of pre-
9 construction activities and investigation into a three-month period. This would be technically
10 impossible, even if Chevron currently had access to the City's property.

11 13. The public will not suffer harm, substantial or otherwise, if a stay of the
12 Revised CAO is granted because the water from the Dance Hall Well does not contain MTBE in
13 excess of the primary or secondary MCLs, and is considered safe to drink under state and federal
14 law. Moreover, the City will not suffer harm because it may resume, and has in fact been urged
15 to resume, pumping of the Dance Hall Well to supply its GWRP prior to the construction of the
16 wellhead treatment system. The City has acknowledged that the trace amounts of MTBE
17 detected in the Dance Hall Well are below the primary and secondary MCLs and are acceptable
18 for drinking water standards, yet continues to refuse to resume pumping of the Dance Hall Well
19 for reasons unrelated to public safety.

20 14. Chevron's Petition raises substantial questions of law and fact with regard
21 to whether the Revised CAO: (1) should permit alternative remedial action; (2) sets forth

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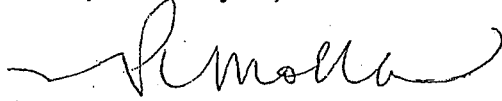
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1 infeasible and/or unreasonable requirements and deadlines; and (3) should name the City a
2 Responsible Party.

3 I declare under penalty of perjury under the laws of the United States of America that the
4 foregoing is true and correct.

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6 Executed in Beverly Hills, California, on January 22, 2010.

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8 Natasha Molla
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